

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 420 - HB 576

March 18, 2017

SUMMARY OF BILL: Adds any corporation which has been recognized as tax exempt to the definition of “bona fide charitable organization” for the purposes of on premise consumption of alcoholic beverages law.

ESTIMATED FISCAL IMPACT:

Increase State Revenue – \$2,000/ABC

Assumptions:

- Based on information provided by the Alcoholic Beverage Commission (ABC), an additional 20 organizations will apply for a one-day special occasion license annually.
- The fee for a special occasion license is \$100 per day.
- A recurring increase in state revenue estimated to be \$2,000 (\$100 fee x 20 organizations) to ABC.
- Pursuant to Tenn. Code Ann. § 57-4-301(e), liquor by the drink (LBD) taxes shall not be levied on organizations selling alcohol pursuant to a special occasion license.
- These organizations are assumed to be ineligible to serve alcoholic beverages for on premise consumption under current law; therefore, LBD tax is not currently being collected from such entities. As a result, any impact on LBD tax revenue is considered not significant.
- Any impact on overall state and local tax revenue is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee".

Krista M. Lee, Executive Director

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